



BILLING CODE 3510-DS-P

DEPARTMENT OF COMMERCE

Foreign-Trade Zones Board

[B-58-2020]

Foreign-Trade Zone (FTZ) 134 – Chattanooga, Tennessee; Notification of Proposed Production Activity; Volkswagen Group of America Chattanooga Operations, LLC (Passenger Motor Vehicles), Chattanooga, Tennessee

Volkswagen Group of America Chattanooga Operations, LLC (Volkswagen), submitted a notification of proposed production activity to the FTZ Board for its facility in Chattanooga, Tennessee. The notification conforming to the requirements of the regulations of the FTZ Board (15 CFR 400.22) was received on September 18, 2020.

Volkswagen already has authority to produce passenger motor vehicles within FTZ 134. The current request would add finished products and foreign status materials/components to the scope of authority. Pursuant to 15 CFR 400.14(b), additional FTZ authority would be limited to the specific foreign-status materials/components and specific finished products described in the submitted notification (as described below) and subsequently authorized by the FTZ Board.

Production under FTZ procedures could exempt Volkswagen from customs duty payments on the foreign-status materials/components used in export production. On its domestic sales, for the foreign-status materials/components noted below and in the existing scope of authority, Volkswagen would be able to choose the duty rates during customs entry procedures that apply to electric vehicles and electric vehicle batteries (duty rate ranges from 2.5% to 3.4%). Volkswagen would be able to avoid duty on

foreign-status components which become scrap/waste. Customs duties also could possibly be deferred or reduced on foreign-status production equipment.

The materials/components sourced from abroad include: gap fillers (fills the space between the battery modules and battery packs); battery housings; battery housing frames; cross beams; side members; extruded aluminum structural members for battery housings; floor piece assemblies; floor piece cooling systems; crash protection assemblies; battery cover plates; automatic circuit breaker molded cases; relays; electric insulation polymer padding; plastic lids/covers for supporting plates; box assemblies comprised of supporting plates, box insulation, box protection, fuses and cover assemblies; box cover assemblies made from a mix of nylon polymer and copper alloys; supporting plates (metal construction with a plastic shield that is used to support battery control modules); and, transportation covers used to protect the connectors for battery packs (duty rate ranges from 2.7% to 3.4%). The request indicates that certain materials/components are subject to duties under Section 232 of the Trade Expansion Act of 1962 (Section 232) and Section 301 of the Trade Act of 1974 (Section 301), depending on the country of origin. The applicable Section 232 and Section 301 decisions require subject merchandise to be admitted to FTZs in privileged foreign status (19 CFR 146.41).

Public comment is invited from interested parties. Submissions shall be addressed to the Board's Executive Secretary and sent to: ftz@trade.gov. The closing period for their receipt is **[INSERT DATE 40 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**.

A copy of the notification will be available for public inspection in the "Reading Room" section of the Board's website, which is accessible via www.trade.gov/ftz.

For further information, contact Christopher Wedderburn at Chris.Wedderburn@trade.gov or (202) 482-1963.

Dated: September 18, 2020.

Andrew McGilvray,

Executive Secretary.

[FR Doc. 2020-21102 Filed: 9/23/2020 8:45 am; Publication Date: 9/24/2020]